Evaluation of PMRY

1333. SHRI C. RAMACHANDRAIAH: Will the Ministry of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Government have evaluated the implementation and success of Pradhan Mantri Rozgar Yojana (PMRY) in Andhra Pradesh and other States of the country;

(b) if so, the important findings thereof, State-wise; and

(c) the action taken by Government in this regard?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) The first round of evaluation of the PMRY was conducted in 1996-97 for the programme years 1993-94 and 1994-95 in 21 States/Union Territories (UTs), including Andhra Pradesh. The second round of evaluation was conducted in 2000-01 for the programme years 1995-96, 1996-97 and 1997-98 in 5 States, including Andhra Pradesh.

(b) The important findings/recommendations of the evaluations studies include enhancement of upper age limit for eligibility of applicants, raising of the permissible family income ceiling, revision of the minimum educational qualification of applicants, upward revision of project cost, continuation of training of selected applicants with stipend, etc.

(c) Some of the parameters of the scheme, *viz.*, increase in maximum age limit to 45 years for Scheduled Caste/Scheeduled Tribe, ex-servicemen, physically challenged and women applicants, reducing the minimum educational qualification to Class VIII pass, raising the eligible family income ceiling to Rs. 40,000 per annum, etc., have been modified, based, *inter alia,* on the recommendations of the evaluation studies of the PMRY.

Closure of cottage industries

1334. SHRI N. R. GOVINDARAJAR: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether various cottage industries functioning in different parts of the country are closing down, as their products fail to get their cost price in the market and incur loss; and

(b) if so, the steps being taken by Government to save cottage industries as well as provide employment to those rendered jobless due to closure of these industries?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) The details of growth in the value of production and sales by the Village Industry (VI) units as well as employment during each of the last three years are given below:

Year	Production (Rs. Lakh)	Sales (Rs. Lakh)	Employment (lakh persons)
2002-03	8126.30	9615.71	57.87
2003-04	9228.27	10988.17	62.58
2004-05	10458.89	12487.35	68.14

Some VI units do suffer losses and close down. The reasons for such losses include use of oblolete technology, inconsistent quality of products, product designs not being in keeping with market demand, lack of entrepreneurial and managerial skills, etc.

(b) Existing units/self-employment ventures, which were set-up with credit from Banks and margin money assistance from the Government but have now become sick, are eligible for rehabilitation assistance available to sick units in the small scale industries sector, as per the guidelines of the Reserve Bank of India (RBI). These measures include, *inter-alia*, waiver of penal interest on cash credit and term loan from the year the unit started making cash losses, segregation of unpaid interest on cash credit and term loan from the total liability and treating the former amount as a separate interest-free loan, reduced rate of interest (reduction of upto 3 per cent for tiny units) to be charged on unpaid term loans, additional working capital loan to be given at a rate of interest not exceeding the prime lending rate, etc.

Further, based on the "Policy Package for Stepping up credit to Small and Medium Enterprises" announced by the Government in the Parliament on 10 August 2005, the RBI has issued guidelines on 8 September 2005 to all public sector Banks that envisage debt restructuring mechanism for nursing sick small and medium enterprises back to health.

Funds under PMRY to Rajasthan

1335. DR. GYAN PRAKASH PILANIA: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) the details of the funds released during the last three years under the Pradhan Mantri Rozgar Yojana to Rajasthan;